

**Hearing Date: May 21, 2019 at 10:00 a.m.**  
**Objection Deadline: May 14, 2019 at 4:00 p.m.**

Thomas R. Slome  
Michael Kwiatkowski  
MEYER, SUOZZI, ENGLISH & KLEIN, P.C.  
990 Stewart Avenue, Suite 300  
P.O. Box 9194  
Garden City, New York 11530-9194  
Telephone: (516) 741-6565  
Facsimile: (516) 741-6706  
Email: [tslome@msek.com](mailto:tslome@msek.com)  
[mkwiatkowski@msek.com](mailto:mkwiatkowski@msek.com)

and

Russell R. Johnson III (VSB No. 31468)  
John M. Craig (VSB No. 32977)  
Law Firm Of Russell R. Johnson III, PLC  
2258 Wheatlands Drive  
Manakin-Sabot, Virginia 23103  
Telephone: (804) 749-8861  
Facsimile: (804) 749-8862  
Email: [russell@russelljohnsonlawfirm.com](mailto:russell@russelljohnsonlawfirm.com)  
[john@russelljohnsonlawfirm.com](mailto:john@russelljohnsonlawfirm.com)

*Co-Counsel for Metropolitan Edison Company, Jersey Central Power & Light  
Company, Ohio Edison Company, The Cleveland Electric Illuminating Company,  
Toledo Edison Company and Pennsylvania Electric Company*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

	)	
<b>In re:</b>	)	<b>Chapter 11</b>
	)	
<b>SEARS HOLDINGS CORPORATION, et al.,</b>	)	<b>Case No. 18-23538 (RDD)</b>
	)	
<b>Debtors.</b>	)	<b>(Jointly Administered)</b>
	)	

**APPLICATION OF METROPOLITAN EDISON COMPANY,  
JERSEY CENTRAL POWER & LIGHT COMPANY, OHIO EDISON  
COMPANY, THE CLEVELAND ELECTRIC ILLUMINATING COMPANY,  
TOLEDO EDISON COMPANY AND PENNSYLVANIA ELECTRIC COMPANY  
PURSUANT TO SECTION 7 OF THE ORDER (I) APPROVING DEBTORS'  
PROPOSED FORM OF ADEQUATE ASSURANCE OF PAYMENT TO UTILITY**

**PROVIDERS, (II) ESTABLISHING PROCEDURES FOR DETERMINING  
ADEQUATE ASSURANCE OF PAYMENT FOR FUTURE UTILITY SERVICES,  
AND (III) PROHIBITING UTILITY PROVIDERS FROM ALTERNATING,  
REFUSING, OR DISCONTINUING UTILITY SERVICE [DOCKET NO. 461]  
FOR PAYMENT FROM THE ADEQUATE ASSURANCE ACCOUNT**

Metropolitan Edison Company (“Met-Ed”), Jersey Central Power & Light Company (“JCP&L”), Ohio Edison Company (“Ohio Edison”), The Cleveland Electric Illuminating Company, d/b/a The Illuminating Company (“CEI”), Toledo Edison Company (“TE”) and Pennsylvania Electric Company (“Penelec”) (collectively, the “FirstEnergy Utilities”), by counsel, for their Application pursuant to Section 7 of the *Order (I) Approving Debtors’ Proposed Form Of Adequate Assurance of Payment To Utility Providers, (II) Establishing Procedures For Determining Adequate Assurance of Payment For Future Utility Services, and (III) Prohibiting Utility Providers From Altering, Refusing, or Discontinuing Utility Service* [Docket No. 461] (the “Utility Order”), state as follows:

**Jurisdiction and Venue**

1. This Court has jurisdiction over this Motion under 28 U.S.C. § 1334(b) and 11 U.S.C. § 366(c).
2. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2)(A).
3. Venue of this Motion is proper in this district pursuant to 28 U.S.C. § 1409.

**Procedural Facts**

4. On October 15, 2018 (the “Petition Date”), the Debtors commenced their cases under Chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) that are now pending with this Court. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

5. The Debtors' chapter 11 bankruptcy cases are being jointly administered.

6. On October 18, 2018, the Debtors filed the *Motion of Debtors Requesting Entry of an Order (I) Approving Debtors' Proposed Form of Adequate Assurance of Payment To Utility Providers, (II) Establishing Procedures For Determining Adequate Assurance of Payment For Future Utility Services, and (III) Prohibiting Utility Providers From Altering, Refusing, or Discontinuing Utility Service* (the "Utility Motion") (Docket No. 196).

7. On November 5, 2018, the Court entered the Utility Order approving the Utility Motion.

8. According to Exhibit 1 to Exhibit 2 to the Utility Order (Pages 52 and 53 of 151), the Debtors placed the following amounts into the Adequate Assurance Account for the FirstEnergy Utilities:

- A. Met Ed - \$16,975
- B. JCP&L - \$51,281
- C. Ohio Edison - \$50,095
- D. CEI - \$33,006
- E. TE - \$5,605
- F. Penelec - \$29,249

9. Section 7 of the Utility Order provides:

If the Debtors fail to pay a utility bill when due (including the passage of any cure period), the relevant Utility Provider shall provide notice of such default to the Debtors, and if within five (5) business days of such notice the bill is not paid, the Utility Provider may file an application with the Court certifying that payment has not been made and requesting the amount due up to an aggregate maximum equal to the Adequate Assurance Deposit allocable to such Utility Provider.

**Default Notice Issued By the FirstEnergy Utilities**

10. On April 30, 2018, all of the FirstEnergy Utilities, by counsel, issued a default notice to the Debtors pursuant to Section 7 of the Utility Order for the following post-petition invoices that remain unpaid:

- a. Invoice from JCP&L issued on April 26, 2019 on the Account Ending in 9102 in the amount of \$36,325.58, which had a past-due balance of \$29,036.10, and current charges in the amount of \$7,289.48 that is due on May 13, 2019.
- b. Invoice from Met-Ed issued on April 9, 2019 on the Account Ending in 9709 with an April 24, 2019 due day reflecting then current charges of \$6,081.25 that remained unpaid.
- c. Invoice from Ohio Edison issued on March 28, 2019 on the Account Ending in 0575 in the amount \$7,469.04, which had a due date of April 18, 2019
- d. Invoice from Ohio Edison issued on March 8, 2019 on the Account Ending in 5894 in the amount of \$731.88, which included the \$490.62 past-due balance and had a due date of March 29, 2019.
- e. Invoice from CEI issued on April 17, 2019 on the Account Ending in 0042 in the amount of \$1,213.23, which had a past-due balance of \$582.07, and current charges in the amount of \$631.16 that is due on May 8, 2019.
- f. Invoice from CEI issued on March 26, 2019 on the Account Ending in 2094 in the amount of \$1,163.58, which had a due date of April 16, 2019.
- g. Invoice from CEI issued on March 11, 2019 on the Account Ending in 9094 in the amount of \$4,240.52, which had a due date of April 1, 2019.

- h. Invoice from TE issued on March 20, 2019 on the Account Ending in 5969 in the amount of \$12.29, which had a due date of April 10, 2019.
  - i. Invoice from Penelec issued on March 29, 2019 on the Account Ending in 6532 in the amount of \$3,061.89, which had a due date of April 15, 2019.
  - j. Invoice from Penelec issued on March 21, 2019 on the Account Ending in 8280 in the amount of \$4,458.92, which had a due date of April 5, 2019.
11. Attached as Exhibit 1 to this Application is the Declaration of Walt Larnerd stating that the amounts due have not been paid as of the date of his Declaration.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

WHEREFORE, the FirstEnergy Utilities respectfully request that this Court enter an order:

A. Requiring the Debtors to immediately tender payment to JCP&L in the amount of \$29,036.10 from the Adequate Assurance Account for the past-due post-petition invoice listed in paragraph 10 of this Application, and \$7,289.48 that is due on May 13, 2019 if unpaid by the Debtors;

B. Requiring the Debtors to immediately tender payment to Met-Ed in the amount of \$6,081.25 from the Adequate Assurance Account for the past-due post-petition invoice listed in paragraph 10 of this Application;

C. Requiring the Debtors to immediately tender payment to Ohio Edison in the amount of \$8,200.92 from the Adequate Assurance Account for the past-due post-petition invoices listed in paragraph 10 of this Application;

D. Requiring the Debtors to immediately tender payment to CEI in the amount of \$5,986.17 from the Adequate Assurance Account for the past-due post-petition invoices listed in paragraph 10 of this Application, and \$631.16 that is due on May 8, 2019 if unpaid by the Debtors;

E. Requiring the Debtors to immediately tender payment to TE in the amount of \$12.29 from the Adequate Assurance Account for the past-due post-petition invoice listed in paragraph 10 of this Application;

F. Requiring the Debtors to immediately tender payment to Penelec in the amount of \$7,520.81 from the Adequate Assurance Account for the past-due post-petition invoices listed in paragraph 10 of this Application; and

G. Providing such other and further relief as the Court deems just and appropriate.

Dated: Garden City, New York  
May 2, 2019

MEYER, SUOZZI, ENGLISH & KLEIN, P.C.

By: /s/ Michael Kwiatkowski  
Thomas R. Slome  
Michael Kwiatkowski  
990 Stewart Avenue, Suite 300  
P.O. Box 9194  
Garden City, New York 11530-9194  
(516) 741-6565  
Email: [tslome@msek.com](mailto:tslome@msek.com)  
[mkwiatkowski@msek.com](mailto:mkwiatkowski@msek.com)

and

Russell R. Johnson III  
John M. Craig  
Law Firm of Russell R. Johnson III, PLC  
2258 Wheatlands Drive  
Manakin-Sabot, Virginia 23103  
(804) 749-8861  
Email: [russell@russelljohnsonlawfirm.com](mailto:russell@russelljohnsonlawfirm.com)  
[john@russelljohnsonlawfirm.com](mailto:john@russelljohnsonlawfirm.com)

*Co-Counsel for Metropolitan Edison Company,  
Jersey Central Power & Light Company, Ohio  
Edison Company, The Cleveland Electric  
Illuminating Company, Toledo Edison Company  
and Pennsylvania Electric Company*